

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE  
**GUAM ECONOMIC DEVELOPMENT AUTHORITY**

August 25, 2016

***Call to Order***

**§1.** The regular meeting of the Board of Directors of the **Guam Economic Development Authority** (referred to as “GEDA” or the “Authority”) was held on August 25, 2016 at the hour of 1:37PM at the Guam Economic Development Authority conference room, Fifth Floor Suite 511, ITC Building, Tamuning, Guam. The meeting was called to order by Chairman Edward J. Calvo to consider several items on the agenda.

***Attendance and Quorum***

**§2.** Roll Call. As determined by the roll call, the following directors were present:

***Directors:***

Edward J. Calvo

David J. John

Vera Wu

Ernesto Espaldon Jr

George Chiu

Monte Mesa

Mana Silva Taijeron

***Offices or Positions:***

Chairman

Vice Chairman

Secretary

Director

Director

Director

Deputy Administrator

***Absent and excused was:***

Jay Rojas

Administrator

***Also present were:***

***GEDA Officials:***

Angelene Guzman	GEDA
Diego Mendiola	GEDA
RaeAnn LeFever	GEDA
John San Nicholas	GEDA
Ed Camacho	GEDA
Antoinette Leon Guerrero	GEDA
Tony Arriola	GEDA
Dong Choe	GEDA
Matt Baza	GEDA
Michael Borja	DLM/CLTC/GALC
Joy White	Marianas Business Journal
Terry Brooks	Legal Counsel – Brooks Concepcion Law, PC

***Approval of Agenda***

**§3.** The first item considered was approval of the agenda. On motion duly made by Director Espaldon and seconded by Director Mesa to approve the agenda, the motion was unanimously approved.

***Approval of Minutes***

**§4.** Approval of minutes from the July 2016 board meeting was next on the agenda for consideration. Motion to approve the minutes was made by Director Chiu and seconded by Director Espaldon after changes to Director Chiu's spelling. The motion was unanimously approved.

***Communications***

**§5.** The next item on the agenda was Communications. There was none.

***Old Business***

**§6.** The next item on the agenda was Old Business.

QC#220 & 221 – Firstnet/NetCare – Request to Change Ownership:

August 25, 2016

MEMORANDUM

To: Board of Directors, Guam Economic Development Authority  
From: Mana Silva Tajjeron, Deputy Administrator  
Subject: **Change of Ownership, Qualifying Certificates No. 220 and 221**

*Hafa Adai!*

On July 20, 2016, GEDA received a letter from Mr. Kurt S. Moylan, President of and Netcare Life and Health Insurance Company (Netcare) and First Net Insurance Company (First Net), regarding a proposed change of ownership of the two companies. Both companies currently have active Qualifying Certificates (QCs), Nos. 220 and 221 respectively. Pursuant to §2.01 of both QCs, they must provide prior notification and obtain written approval from both GEDA and the Governor of Guam before QC benefits may be transferred to the new owners.

Mr. Kurt S. Moylan and Mrs. Judith A. Moylan (the Moylans) currently have common majority ownership of both Netcare and First Net. Based on review of their proposed ownership change, the Moylans plan to restructure Netcare and First Net to be commonly owned and operated through Netcor Inc. Holding Company. In turn, the share ownership of Netcor will be transitioned to their children in the percentages described below:

<b><i>Proposed Shareholders</i></b>		<b><i>Ownership (%)</i></b>
Moylan Trust (Mr. and Mrs. Moylan)	21.000	20
Kaleo S. Moylan	23.625	22.5
Miki R. Moylan	23.635	22.5
Troy K. Moylan	23.625	22.5
Cassandra Moylan	13.125	12.5
<b>TOTAL</b>	<b>105</b>	<b>100</b>

Netcare and First Net have previously obtained approval from the Insurance Commissioner on June 17, 2016 regarding their proposed ownership change. In addition, Netcare and First Net, in accordance with the terms of their respective QCs, have properly informed GEDA of its intent to change ownership. As such, we recommend approval of their proposed change of ownership as it pertains to their QCs.

Thank you for your time and attention on this matter.

ATTACHMENT

Approved  Disapproved

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Edward J. Calvo  
Chairman

Motion to change ownership was made by Director Espaldon and seconded by Vice Chairman John, the motion was unanimously approved.

Chairman Calvo asked for Ed Camacho to talk more about a local business primarily owned by Dave Tydingco that does an eco tour at the Talofofo River. There are agricultural activities, tourist activities as well as locally made products sold on the grounds. Ed Camacho mentioned that they are inviting our Guam Product Seal members to come down to their facility and participate in their activities on October 1<sup>st</sup> and 2<sup>nd</sup>, 2016. No board action was needed.

### ***New Business***

**§7.** The next item on the agenda was New Business. There was none.

### ***Reports***

**§8.** The next item on the agenda was Reports.

Larry Toves, Real Property Division Manager gives updates on the museum. He mentions that the board in the previous months board meeting did agree to release a part of the retention to the contractor to help with their cash flow and help to get the

punch list items completed. The release of the retention of \$500,000.00 was for the contractor to complete the punch list items to complete the remaining of the building and according to the contractor's latest schedule, they are looking to obtain occupancy by September 11, 2016 and complete the list. The two critical items that need to be completed are the ramps and fire access curb that needs to be reconstructed so that they occupancy permit can be given. The remaining portion of the list will be completed some time next week, hopefully by the end of September 2016. IBC (Contractor) has submitted a claim with the Attorney Generals Office of around \$856,000.00 for delays and liquidated damages.

Vice Chairman voices concerns over how long it has taken to get the museum open. The contractor has been giving us a punch list to get it open for more than six months. Deputy Administrator, Mana Silva Taijeron does mention that we currently do have a partial occupancy permit for the first floor. Which allows for use of the storefront, the exhibit area and the theater. Director Chiu questions why don't we have it for the second floor - Deputy Administrator mentions that the exhibits haven't been fabricated yet and it's still under construction. Vice Chairman John would like for GEDA to get with the fire department to get the occupancy permit for the museum, it's been far too long.

Chairman Calvo says that the direction from the board is for the Administrator and Deputy Administrator to get with whomever we need to get with in the government to get the boards sentiment across and not just have an update from the contractor with a list of items still pending. Deputy Administrator mentions to the board that it has been our priority to get this done and that the Governor is aware of everyone's frustrations and the Governor was just briefed about the museum last week. No board action was taken.

Mr. Toves updates on the Ypao Beach lighting project on the Hot Bonds. Currently pending a CM for the project. Revising the strategy for the project. No board action was taken.

Mr. Toves updates on Tumon Flood, no board action was taken.

Mr. Toves updates on the leases. The board would like to work closely with GEDA to get our leases up to date.

### ***Public Comments***

§9. The next item on the agenda was Public comments. There were none.

***Adjournment***

**§12.** Having no further items to discuss, on motion to adjourn duly made by Vice Chairman John and seconded by Director Mesa, at 3:07PM, the meeting was adjourned.

Dated this 30th day of September, 2016



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Edward J. Calvo  
Chairman

ATTEST:



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Vera Wu  
Secretary